# Market Position & Business Model – Identify Partners

## Description

In the previous two handbooks you **identified the types of partners** that might be helpful to your organization in administering, funding, and delivering a residential energy efficiency program, and learned the **importance of reaching out to stakeholders** to get buy-in to your organization's mission and vision. Now you will want to narrow this list and engage specific partners and other stakeholders, as appropriate, in business model design to ensure that your market position and theirs align and complement one another.

Institutional partners help to administer, promote, and fund a program. They include:

- Local government agencies
- Utilities
- Nonprofit organizations
- Financial institutions
- Legal service providers.

Implementation partners engage in program delivery by providing program support services to your organization or delivering energy efficiency services directly to customers. Examples include:

- Community and local environmental groups involved in marketing program services, community colleges providing workforce training, and financial institutions offering loans to customers or small businesses like contractors
- Marketing and advertising companies, software support firms, and businesses that process recognition and reward programs (e.g., incentive fulfillment businesses)
- Businesses involved in home energy upgrades, such as HVAC contractors, local plumbing and heating service providers, independent and national retailers, and distributors.

As you develop your organization's business model and business plan, you will need to clearly define the roles of your partners. Their engagement at this point of business model development can help you build common understanding and support for your business model.

To identify and engage specific partners, you need to:

- Understand the business models of potential partners - How do they make money? Who are their clients? Who do they see as competition?
- Approach potential partners and develop a partnership framework - What is the opportunity? What role(s) would they play? What is in it for them?

**Market Position & Business Model**

**Stages:**

Find related information across other program components:

- **Program Design & Customer Experience – Identify Partners**
  *Establish relationships with organizations that can help deliver your program by enhancing your knowledge, resources, capabilities and access to customers and contractors.*

- **Marketing & Outreach – Identify Partners**
  *Establish relationships with organizations that will assist with program marketing and outreach.*

- **Financing – Identify Partners**
  *Identify and partner with financial institutions that can provide capital, underwriting, and other functions to enable your customers to access financing.*

- **Contractor Engagement & Workforce Development – Identify Partners**
  *Establish relationships with contractors who will deliver program products and services, and with organizations that train and certify workers.*

# Step-by-Step

After identifying partners that will help you deliver your residential energy efficiency program in **Assess the Market**, you will need to identify which of these partners are critical to the success of your organization's business model, engage these partners, and ensure that your market position and theirs align. To engage specific partners it is important to understand both the business models of potential partners and how to approach them.

## Understand the business models of potential partners

Based on your organization's capacity and the **market opportunities** you identified, consider what other public or private sector entities could complement your organization's capabilities by acting as:

- Partners to deliver services or
- Third-party implementers, performing services on behalf of your organization.

Whether your organization provides services directly or follows a partnering approach, you might be seeking partners to help promote, fund, or administer various components of your residential energy efficiency program (institutional partners) or to help implement day-to-day activities, such as home assessments and upgrades (implementation partners).

Organizations most often **partner with contractors** (e.g., home performance contractors, HVAC contractors, remodelers) who meet or agree to adhere to their program standards. Some organizations also partner with **financial institutions**, retailers, housing authorities, real estate professionals, and others to provide additional services or gain access to new customers. The better you understand the business models, goals and objectives, and capabilities of others, the more likely you will be able to approach them with a compelling partnership opportunity.

The U.S. Department of Energy has developed resources to help you understand the business models of potential key partners. This industry research can also help you develop your own business model:

- **Home performance contractors**
- **HVAC contractors**
- **Remodelers**
- **Retailers**
- **Real estate agents**
- **Utility programs**
- **Non-utility programs**

**Partnering with Real Estate**

Residential energy efficiency programs have seen a growing interest to have investments in energy efficiency be more accurately reflected in home resale prices. A number of resources describe the real estate sector's role in residential energy efficiency and determine potential opportunities for partnering with the real estate community.

- **Capturing Energy Efficiency in Residential Real Estate Transactions: Steps That Energy Efficiency Programs Can Take**. This primer offers steps energy efficiency programs can take to address information flow gaps within real estate transactions.
- **An Early Look at Energy Efficiency and Contributory Value: Case Studies of Residential Properties in the Greater Denver Metro Area**. This study, conducted on behalf of the Colorado Energy Office, provides an analysis of the impact of energy efficiency on the home buying process.
- **Valuing Home Performance Improvements in Real Estate Markets** by Elevate Energy. This paper describes existing barriers to integrating energy efficiency data into real estate markets, and illustrates recent efforts to address them.
- **Unlocking the Value of an Energy Efficient Home: A Blueprint to Make Energy Efficiency Improvements Visible in the Real Estate Market** by CNT Energy and the National Home Performance Council. This white paper provides energy efficiency program sponsors and other stakeholders in the home performance industry with methods to document efficiency improvements and incorporate them into the real estate value chain.
- **The Value of Energy Efficiency in the Real Estate Market** by Northeast Energy Efficiency Partnerships. This webcast discusses the value of energy efficiency in the real estate market.
- **Better Buildings Neighborhood Program Business Models Guide – Real Estate Addendum** by the U.S. Department of Energy. This addendum to the **Better Buildings Neighborhood Program Business Models Guide** serves as a resource for real estate agents who are or may be interested in starting or expanding their services into the residential energy efficiency market.

Numerous Better Buildings Residential Network Peer Exchange calls have also been held on the subject, highlighting best practices and lessons learned with regard to integrating residential energy efficiency in the real estate market.

- **Working with the Real Estate Sector**. This call focused on the strategies, challenges and key interaction points with the real estate sector.
- **Business Models and Case Examples for Working with the Real Estate Sector**. This call focused on raising awareness and integrating the value of energy efficiency into transactions with the real estate sector.
- **Trends in Real Estate and Energy Efficiency - Update on Program Experience**. This call focused on working with the real estate sector to promote and drive demand for energy efficiency.
- **Working with Real Estate Home Inspectors, Exterminators, and Other Nontraditional Partners**. This call focused on leveraging home inspectors and others in the real estate transaction processes.
- **Mastermind Session: Connecting the Dots between the Real Estate Market and Residential Energy Efficiency**. This call focused on ideas for integrating residential energy efficiency programs with the real estate market.

In 2015, the U.S. Department of Energy launched the **Home Energy Information Accelerator**, a collaborative effort among national organizations, federal agencies, and regional, state, and local leaders to expand the availability and use of reliable home energy information at relevant points in residential real estate transactions. Accelerator Partners will develop and demonstrate replicable, sustainable approaches that make energy related information important data for the home buying process easily available to home buyers and sellers through multiple listing service (MLS) and other reports.

## Approach potential partners and develop a partnership framework

A partnership is an opportunity to complement specific aspects of your own organization's capabilities with another organization's strengths in ways that will lead to more successful delivery of energy efficiency services in your local market. The partnership you envision must be beneficial to both your organization and the organization you are approaching. Generally, the most compelling reason for anyone to partner is if it is in their economic or mission-driven (for NGOs) interest to do so. For example:

- Will you pay them directly as a service provider?
- Are you increasing their customer base by broadening their visibility and presence?
- Are you enabling them to show their donors that they are having a greater impact, reaching a larger population, or accomplishing their mission more effectively?

[In Their Own Words: Building Relationships With Financial Institutions]


*Source: U.S. Department of Energy, 2012.*

Even though you see the potential for growth from a partnership, the organization you are approaching may not immediately see things the same way. Doing as much research as possible before you approach a key potential partner is a helpful way to determine how to best frame the opportunity to them and define it for you. The **Partnership Evaluation Framework** from the Better Buildings Neighborhood Program Business Models Guide provides one tool for assessing potential partners' priorities in a structured way.

This framework organizes several categories of questions you can use to better understand potential partners before you approach them. You or others in your organization may be able to answer many of these questions right away. For other questions, you may need to find answers on your prospective partner's website or by talking with stakeholders who already work with or have knowledge about the new potential partner.

Focus on the questions and categories that are most applicable to the role a partner might play in your residential energy efficiency program. The more you have considered these questions beforehand, the better able you will be to identify and discuss mutually beneficial partnership opportunities.

- **Service offerings—what goods and services an organization markets and sells**. Examining existing service offerings and uncovering untapped opportunities to expand core offerings may reveal ways of increasing customer traffic or revenue over time. Key questions for evaluating a potential partner's service offerings are:
  - What are the organization's key strengths and its service offerings?
  - Are there alternatives or competitors to these services in the market?
  - Can a strategic partnership with you help the organization expand its service offerings or control its costs?
  - Does it operate in a specific region or territory? Does this territory overlap or complement areas that you might target for a new efficiency program?
- **Financial structure—what makes up an organization's revenue stream and how does it set performance targets.** Although they will be hard to obtain for most potential partners, especially NGOs and public entities, financial metrics and benchmarks can reveal the sources of a potential partner's profitability, as well as key decision points and motivations for changing its current business model. Key questions for evaluating a potential partner's financial structure are:
  - What are its costs and revenues? Who buys the organization's services?
  - What major/key factors influence changes in revenues or costs?
  - How does the organization finance its growth?
  - Is there a past example of how the organization expanded into a new market or service offering? Was it successful?
  - How will you bring the organization additional "customers" or otherwise support or expand their operations?
- **Customers—who an organization's target market is, and how it reaches them**. Identifying potential partners' customers and target markets can help to measure probability of success for partnerships and service offerings. Key questions for evaluating a potential partner's customers are:
  - Who are its current target customers?
  - What is the estimated overall demand for each service the organization currently provides?
  - Can a strategic partnership with you help it capture a larger share of the market?

- **Governance—how an entity makes decisions in the market**. Understanding a potential partner's governance structure can help uncover what objectives it will prioritize, how it will respond to market trends and policy, and whom it recognizes as relevant stakeholders. Key questions for evaluating a potential partner's governance are:
  - Who are all of the stakeholders involved in its business investment or expansion decisions?
  - Once a new commitment is made, who oversees it?
  - Are there external regulations that may influence the decision-making process?
  - Are there potential conflicts of interest that must be overcome?
- **Assets and infrastructure—how an organization invests in and brands itself in order to operate**. Assessing the benefits and costs associated with an asset or infrastructure enables you to identify opportunities for your organization and potential partners to create value and reduce costs. Key questions for evaluating a potential partner's assets and infrastructure are:
  - What types of new investment (e.g., buildings, machinery, and equipment) are needed for the organization to be optimally successful?
  - How costly are any investments the organization would need to make to partner with you, and are economies of scale a factor (e.g., would they be saving money in other areas by partnering with you)?
  - How reliant on non-physical assets (e.g., brand, certifications) is the organization for its success?

Consider whether you are interested in a formal or informal partnership with a potential partner:

- A **formal partnership** involves agreeing to a formal contract or memorandum of understanding (MOU) based on either performance or time and materials. It clearly outlines the roles and responsibilities of each party to the agreement and what compensation (if any) will be exchanged. Formal partnerships work best when the two organizations have not worked together in the past, have differing priorities, or have resource constraints that need to be well understood up front.
- An **informal partnership** might be sufficient if both organizations are well-aligned and can sustain an effective partnership through ongoing communication and collaboration. Informal partnerships can enable activities such as co-hosting a meeting of key stakeholders or agreeing to jointly market each organization's program offerings. Successful informal partnerships require a shared understanding of roles and responsibilities each partner will undertake, In addition, the best informal partnerships are typically of limited duration (e.g., partnering for 6 weeks to plan and implement an event) and involve minimal risk to each organization if one partner needs to shift priorities away from the partnership activities.

Once you have gathered this type of information about potential partners, your organization will be in a stronger position to evaluate which partnerships will fit your organization and which partners are more likely to be interested in your partnership. This research will help you identify which potential partner you need to approach and what you need to include in a compelling business case in order to persuade the other organization to join you.

**Working with Utilities as Key Partners**

In many cases, utilities administer residential energy efficiency programs. In other cases, utilities are critical partners for residential energy efficiency programs run by other types of public or private organizations. The Better Buildings Neighborhood Program held a two-part series of webcasts on how organizations can work effectively with utilities:

Part 1 served as a roundtable for communities to describe successful partnerships between local governments and utilities that enabled the local governments to implement new clean energy programs or enhance existing ones.

- Partnering with Utilities Part 1 – Successful Partnerships and Lessons from the Field (**Media**, **Presentation**, **Transcript**)

Part 2 focused on advanced topics for local government-utility partnerships, with presentations from local governments and their partnering utilities that have well-developed, multi-year relationships and programs.

- Partnering with Utilities Part 2 – Topics for Local Governments – Creating Successful Partnerships with Utilities to Deliver Energy Efficiency Programs (**Media**, **Presentation**, **Transcript**)

Another useful resource is the presentation "**Transitioning to a Utility Funded Program Environment: What Do I Need to Know?**" developed by Arizona Public Service, an electric utility. It describes key opportunities and challenges from a utility's perspective.

For example, The **Local Energy Alliance Program** (LEAP) in Virginia was involved as a stakeholder early in local utility Dominion Virginia Power's residential energy efficiency program development process. LEAP knew they were in no position to compete with the utility in terms of funding and that multiple energy efficiency programs in the region could be confusing, so they found a way to cooperate. LEAP provided input on Dominion's design process and worked with them to restructure the utility's program in order to score better on cost-effectiveness. LEAP also supported Dominion at their State Corporation Commission (SCC) hearing on their new program.

A number of Better Buildings Neighborhood Program grantees took this partnering approach, finding the greatest success in building adaptable relationships which could evolve over time as opportunities changed and in which clear benefits were felt on both sides. These programs often noted that developing trust was a key aspect of partnership building. It was important to articulate what the program's value was to the utilities and how the program's and utility's goals could be aligned.

## Tips for Success

In recent years, hundreds of communities have been working to promote home energy upgrades through programs such as the Better Buildings Neighborhood Program, Home Performance with ENERGY STAR, utility-sponsored programs, and others. The following tips present the top lessons these programs want to share related to this handbook. This list is not exhaustive.

### Develop partnerships based on an alignment of goals, strong collaboration, and consistent communication

Programs that have developed strong and lasting partnerships have done so by identifying shared goals and seeking ways in which programs and partners can mutually benefit by advancing each other's missions. Even if partners don't have the same goals as your program, you can still try to find ways to work together that improve the success of both efforts. Several programs have established forums for regular communication with partners, such as a steering committee or stakeholder group that meets monthly or quarterly, to maintain collaboration and communication. Informal events—such as engaging with partners after hours in a social setting—have proven to be successful at building trust and camaraderie. One key lesson from programs that have established robust partnerships: remember that partnership development often takes more time than planned.

- The **Better Buildings Program San Jose** leveraged local, well-known organizations that delivered non-energy services to low-income residents to help the program reach interested homeowners. Most Holy Trinity Catholic Church and the local Boys and Girls Clubhouse offered the program space for events where they could meet with homeowners, teach them more about the program, and schedule home energy assessments. To help low-income residents cover the cost of home energy evaluations and upgrades, the program also created a partnership with Pacific Gas and Electric's Moderate Income Direct Install program (which offered free home energy assessments and weatherization services to income-qualified residents) to allow all program customers into the utility's program. To learn more about the Better Buildings Program in San Jose, see the case study **"San Jose, California, Partners with Established Community Groups to Win over Homeowners"**.
- Early in its program, **EnergyWorks** in Philadelphia established a partnership with its local gas utility, Philadelphia Gas Works (PGW), to share lessons learned and customer information, including sharing energy use data once customers authorized its release. This partnership helped PGW enhance its own energy efficiency programs by applying the knowledge learned about home energy upgrades from EnergyWorks. The partnership also provided PGW customers with access to EnergyWorks' loan program. For EnergyWorks, the partnership gave it access to PGW customers for marketing. Learn more about the partnership from the case study **"In the City of Brotherly Love, Sharing Know-How Leads to Sustainability"**. EnergyWorks found that by the end of their Better Buildings Neighborhood Program grant period, they had identified a successful formula of marketing, outreach, and contractor interface. They wanted their lessons learned to be useful in the future continued working with the city-owned utility, Philadelphia Gas Works (PGW) to develop a new **utility-run energy efficiency program**. This program built off and mirrored the design of the EnergyWorks program by incentivizing comprehensive, whole-home residential energy efficiency projects. EnergyWorks' role changed to providing training and acting as a general contractor, which gave it more flexibility. PGW was able to provide bigger incentives than EnergyWorks could. In addition, PGW benefited from increased customer satisfaction by offering the program, so the program evolvement and partnership was a win-win for everyone involved. For more information, see the U.S. Department of Energy's **Focus Series Interview with Philadelphia Energy Works**.
- **Michigan Saves**, formerly BetterBuildings for Michigan, established a partnership with Grand Valley State University (GVSU) to take the program's community-based approach to a new type of community—university staff—through a semester-long, employer-assisted initiative. The program found that the sustainability staff members at GVSU were interested in the program, and program staff described a "sustainability ethic ingrained in the school's culture." GVSU employees were receptive to the energy efficiency message. University leadership joined in as well, with the provost's office and university president writing letters to staff in support of the program. The school's human resources department helped the program develop a database to manage services to employees. As a result of the program, 215 people working for GVSU (nearly 10% of total employees) signed up for the program. By going through the university, these sign-ups cost one-fourth to one-third of the program's normal marketing cost per person. Sixty percent of the homeowners who participated in the GVSU program undertook home upgrades, which was higher than Michigan Saves' average rate of 44%. To learn more about the effort, see the interview with program leads: **"It's Academic: BetterBuildings for Michigan Partners With University to Reach Employees"**.

## Consider a diversity of funding and revenue sources and make selections based on local opportunities when planning for long-term program sustainability

In order to craft a sustainable financial model, organizations need to identify long-term sustainable revenue sources. As with the Better Buildings Neighborhood Program, grant funding can be a great way to get an effort off the ground; however, grant funding does run out, leaving the need to secure alternate revenue sources. Many Better Buildings Neighborhood Program partners overcame this challenge by aligning revenue opportunities with gaps or untapped potential for business in their local market. In some cases, several years were needed to gain trust and demonstrate results before funding was secured, so the sooner you begin considering options, the better the chances are of finding and securing one that is viable. Consider a wide range of options and pursue those opportunities that best match what your organization and local market have to offer. See a detailed list of potential funding sources in the **Market Position - Develop a Business Model handbook**.

- In 2010, St. Lucie County in Florida was awarded an Energy Efficiency and Conservation Block Grant and created the **Solar and Energy Loan Fund** (SELF), expecting that property assessed clean energy loans (PACE) would be an integral part of the residential loan structure. When Freddie Mac and Fannie Mae challenged the residential PACE system nationwide, SELF shifted direction. They evolved through a multi-year process into a certified community development financial institution (CDFI) focused on energy efficiency and renewable energy upgrades for the residential sector. They targeted low and moderate income populations that had been especially affected in Florida by the economic crisis in 2009.
- The change meant that SELF no longer had access to capital from investors seeking highly secured and profitable investments through PACE; however, becoming a CDFI allowed SELF to diversify its products and receive new types of support in the form of grants for technical assistance and loan capital. By becoming a certified CDFI, SELF was able to attract capital from banks as Community Reinvestment Act (CRA) investments and establish legitimacy in the eyes of other socially responsible investors. For example, in the last year of operating under the Better Buildings grant, SELF contacted faith-based foundations that seek to make socially responsible community investments. Over the year and a half after the Better Buildings grant, SELF raised an additional $835,000 from 5 different religious organizations.
- Under their business model, SELF faced some challenges limiting their ability to attract capital. For example, even though they implemented new policies to have Uniform Commercial Codes and a more strict collections process, capital providers are still wary of the fact they provide “unsecured” loans. Nevertheless, SELF’s portfolio results of less than 1% default and less than 3% delinquency helped prove that they had a good evaluation method and their risk management procedures were effective. The new CDFI business model allowed SELF to become self-sufficient by providing a platform to offer financial and non-financial services that could generate diversified revenue streams. These revenue sources include interest and fees earned on their investments; fees from off balance sheet portfolios such as commercial PACE; and fees from partnering with other financial institutions to sell their financial product and other activities such as contractor training.

## Leverage the many complementary benefits of energy efficiency programs to broaden your organization’s reach and partnership opportunities

Home energy assessments and upgrades can offer more than just energy savings benefits. They can make homes safer, enhance home value, and reduce health risks for residents. Better Buildings Neighborhood Program partners found that emphasizing the full range of benefits that upgrades offered helped them to identify new partnership opportunities they might not have otherwise considered. They found that their organization’s work to improve resident’s quality of life and reduce energy costs was often consistent with the mission of other organizations focused on public health, low-income housing, or local economic development. Working together provided an avenue for expanding both organizations’ reach, as well as providing multiplied benefits to residents. They also found that focusing on other benefits of energy efficiency could lead to access of additional funding sources and partners.

- **EnergyWorks KC** in Kansas City sought partnerships with local government, community organizations, social service agencies and educational institutions to achieve complementary objectives, including: working with local housing development corporations to teach weatherization through hands-on work on houses being rehabilitated; providing free energy assessments for churches and other nonprofit institutions as part of training programs for commercial energy auditors; and partnering with Children's Mercy Center for Environmental Health to provide Healthy Homes for Energy Professionals training as part of most Home Performance training programs, as well as teaching combustion safety to Healthy Homes trainees. The program’s partnership with Children's Mercy Hospital focused on opportunities for cross-training and leveraging relationships. The benefits to both partners were related to mission, i.e. EnergyWorks KC taught energy auditors a "whole house approach", looking at buildings as a system. It was to the benefit of EnergyWorks KC that auditors understood the health and safety impacts of this system for its occupants. It was to the benefit of Children’s Mercy to ensure that energy professionals, who spend a significant amount of time in homes, understood and were sensitive to environmental health issues, so that they could help to spot and address problems.

- The Los Angeles Department of Water & Power took an integrated approach to saving water and energy among its residential customers, recognizing that the two are intricately linked. Water conservations programs in FY15 achieved a savings of 7,000 acre feet of water, equaling an energy savings of 4.3MkWh/year. In addition, since 2012, LADWP has been partnering with the Southern California Gas Company to further capitalize on multiple benefit opportunities and allow electric, gas, and water programs and incentives to be combined into a one-stop shop for customers. In the areas this joint venture operates, customers can see impacts in four areas on their bills: electric, gas, water, and sewer.
- In 2015, Enhabit, formerly Clean Energy Works, expanded its portfolio of services to homeowners by adding seismic specialists to its team of local, certified contractors. Enhabit connected homeowners with contractors and provided low-interest loans for those interested in both energy efficiency as well as seismic safety upgrades. By offering an additional home improvement service that was in high demand in the earthquake prone Pacific Northwest, Enhabit was able to fill a niche in the market and expand its customer base.

## Make sure there are enough customers in your target market to meet your goals and attract partners

Many programs that focused on a specific neighborhood or other small geographic areas have found it difficult to generate enough customer interest, partner interest, and upgrade activity to meet program goals. Regional or statewide approaches are often more attractive to contractors, lenders, utilities, and other partners than smaller markets defined by neighborhoods or city boundaries because they align with more typical service territories. Programs have found that larger contractors often are not interested in working in multiple cities or towns that have varying qualifications procedures and incentive rules. Utility partners are often better able to engage with a program offering services across a large segment of their customers. Historically, credit unions, community banks, CDFIs, and national lenders already specializing in energy efficiency loans have been more receptive to partnerships with residential energy efficiency programs.

- Be SMART Maryland shifted away from a volunteer-driven, neighborhood-by-neighborhood approach in favor of marketing through contractors and local community organizations to a broader geographic area. The program found it difficult to manage marketing and outreach to diverse geographic locations with the neighborhood approach (e.g., volunteer networks were difficult to engage and inconsistent from community to community). The adjustment in marketing strategy and target audience definition expanded Be SMART Maryland's service area, proved to be more effective in generating interested customers, and made the program more attractive to qualified contractors.
- Community Power Works (CPW) in Seattle found that its geographic scope was too narrowly focused when it first began providing services. At that time, CPW was focused on specific areas of the city, including many low-income neighborhoods. These geographic boundaries limited the number of potential customers, and many residents in these areas did not have the financial ability to invest in energy efficiency upgrades or access financing. CPW achieved significantly higher results once it expanded its geographic scope to the entire city in early 2012, more than doubling the number of eligible households. The expansion of the service territory—along with other program changes, such as simplifying and increasing incentives and offering new financing options—significantly boosted the number of upgrades per month from around 10 per month in late 2011 to around 50 per month in mid-2012. For more information, see Seattle Community Power Works' Fall 2012 Progress Report.
- Energize Phoenix, which focused its program on a central downtown light rail corridor, expanded its service area after a year of operations in late 2011 to increase the number of homeowners eligible for upgrades and unite neighborhoods that the previous boundaries had unintentionally divided. After the program launched, managers realized that the original program boundary, scaled down to better match funding amounts, divided close-knit neighborhoods and didn't correspond to traditional media and market boundaries. The program found that it was hard to target its marketing and outreach only to residents in the service area without also reaching those ineligible for the program. Especially in tight-knit neighborhoods, this created discord over who qualified for the program and who did not. When the program expanded the service area in 2011 to cover entire neighborhoods, it increased its geographic area by 55% and increased the number of eligible residential parcels by 77%. This helped drive an increase in single family and multifamily upgrades in 2012 and 2013. After three years in operation, the program upgraded over 2,000 housing units. For more information on the program and the expansion of its service area, see Energize Phoenix's Energy Efficiency on an Urban Scale, Year Three Report: Results.
- New Hampshire's Better Buildings program's original upgrade goals were based on the state's Climate Action Plan and some general knowledge about the demographics of the three participating communities in the program. As the program began to unfold, however, the program noticed significant differences between the estimated number of projects and the actual level of demand. The projections were likely high because the original estimates were based more on need (i.e., how many buildings the state should upgrade), rather than an analysis of the existing market demand and potential for expansion. By the end of the grant period in 2013, a suite of efforts, including increased marketing and a statewide expansion of its residential program helped the program exceed its revised residential upgrade goals.

# Examples

The following resources are examples from individual residential energy efficiency programs, which include case studies, program presentations and reports, and program materials. The U.S. Department of Energy does not endorse these materials.

## Case Studies

None available at this time.

## Program Presentations & Reports

**Energy Pro3: Productivity, Progress and Prosperity for the Southeast**
Author: Southeast Energy Efficiency Alliance
Publication Date: 2013

This report demonstrates the results achieved to date by the Southeast Energy Efficiency Alliance. It highlights the experiences of Consortium programs, their successes driving further investments in energy efficiency improvements, and the challenges that hindered their progress. It also details the infrastructure, resources, and opportunities that support the deployment of energy efficiency programming, and the approaches that the Consortium has found best suited to the region.

## Program Materials

None available at this time.

# Toolbox

The following resources are available to help design, implement, and evaluate possible activities related to this handbook. These resources include templates and forms, as well as tools and calculators. The U.S. Department of Energy does not endorse these materials.

## Templates & Forms

None available at this time.

## Tools & Calculators

**The Partnership Evaluation Framework: How to Evaluate a Potential Partner's Business Model and Identify Areas for Collaboration** **(89 KB)**
Author: U.S. Department of Energy
Publication Date: 2011

Table showing business model frameworks, their relevance, key metrics, and questions for consideration.

**MPower Toolkit**
Author: Green For All
Publication Date: 2013

The MPower Toolkit provides templates, resources, and lessons learned to address the barriers faced by the affordable multifamily housing sector when accessing energy efficiency upgrades. The toolkit is also intended for all stakeholders involved in efficiency programs, including efficiency program administrators, state and local leaders, utilities, energy consultants, and financial partners. MPower's core model is useful for all building types. In addition, the toolkit's chapters are broken out into segments that highlight information and innovations that many efficiency programs are incorporating into their own models. The toolkit is a resource for all practitioners involved in implementing MPower and also serves to assist practitioners of other established efficiency programs. The MPower Toolkit draws from the experience of MPower Oregon, although it differentiates between the core MPower model and how MPower Oregon implemented this model.

# Topical Resources

The following resources provide additional topical information related to this handbook, which include presentations, publications, and webcasts. Visit **Examples** for materials from and about individual programs.

## Topical Presentations

**Five Steps to a Profitable Contractor Base**
Author: Courtney Moriarta; SRA International; Inc.; Emily Levin; Vermont Energy Investment Corporation; Tiger Adolf; Building Performance Institute; Brad Geyer; Fayette County Better Buildings Initiative; Sammy Chu; Suffolk County Department of Labor; Sam Flanery; Building Science Academy
Publication Date: 2012

Presentation on five steps to building a profitable contractor base. The steps include sensible program design and administration, certification and credentialing, communicating with contractors, contractor requirements (business vs. trade), and training and sales support.

**Transitioning to a Utility Funded Program Environment: What Do I Need To Know?**
Author: U.S. Department of Energy
Publication Date: 2013

Presentation that provides insights from a utility executive on how energy efficiency programs can effectively partner with utilities.

## Publications

**Better Buildings Neighborhood Program Business Models Guide**
Author: U.S. Department of Energy
Publication Date: 2012

This report serves as a resource for program administrators and building contractors who are or may be interested in starting or expanding their services into the residential energy efficiency market.

**Capturing Energy Efficiency in Residential Real Estate Transactions: Steps That Energy Efficiency Programs Can Take** **(875 KB)**
Author: U.S. Department of Energy
Publication Date: 2015

Real estate professionals are increasingly aware that today's homebuyers consider heating and cooling costs, efficient appliances, and efficient lighting to be important factors in home purchase decisions. Residential energy efficiency and real estate stakeholders, however, agree that the home resale process frequently fails to account for the value of high-performance home features. If investments in energy efficiency were more accurately reflected in home resale prices, homeowners could have greater confidence that these investments would be recouped at resale, and they might make more investments in efficiency.

**Contractor Blueprint: Getting from HVAC to Home Performance**
Author: California Center for Sustainable Energy; Home Performance Resource Center
Publication Date: 2012

This guide shows HVAC contractors how to get started in the home improvement market. It explains the approach of treating a house like a system and provides step-by-step instructions on setting up a home performance contracting business.

**An Early Look at Energy Efficiency and Contributory Value: Case Studies of Residential Properties in the Greater Denver Metro Area**
Author: Colorado Energy Office
Publication Date: 2015

This study was conducted on behalf of the Colorado Energy Office to provide an analysis of the impact of energy efficiency on the home buying process. It highlights the appraisers' dependence on Realtor?supplied data and clearly illustrates the need for appraisers to be competent on items related to energy efficiency; in as far as these items are relevant to the appraiser's specific assignment, scope of work and market area.

## Webcasts

**Partnering with Utilities Part 1 -- Successful Partnerships and Lessons from the Field**
Presentation, Media (68 MB), Transcript
Author: Jennifer Clymer, ICF International; Philip LaMay, Allegheny County, Pennsylvania; Christian Williss, Denver, Colorado; Sharon Procopio, Denver, Colorado
Publication Date: 2011

This webcast served as a roundtable for communities to describe successful partnerships between local governments and utilities that enabled the local governments to implement new clean energy programs or enhance existing ones.

**Partnering with Utilities Part 2-Topics for Local Governments-Creating Successful Partnerships with Utilities to Deliver Energy Efficiency Programs**
Presentation, Media (65 MB), Transcript
Author: Jennifer Clymer, ICF International; Neal De Snoo, Berkeley, California; Dan Schoenholz, Fremont, California; Catherine Squire and Gina Blus, Pacific Gas and Electric Company; Jon Ippel, Orlando, Florida; Cameron Saulsby, Orlando Utilities Commission
Publication Date: 2011

This webcast focused on advanced topics for local government-utility partnerships, with presentations from local governments and their partnering utilities that have well-developed, multi-year relationships and programs.

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